



Office of the President

October 21, 2011

Chancellor Frank T. Brogan  
Florida Board of Governors  
State University System  
325 West Gaines Street, Suite 1614  
Tallahassee, FL 32399-0400

Dear Chancellor Brogan:

The University of Central Florida is pleased to submit an Addendum to the Request to Offer a Doctor of Dental Medicine Degree that was discussed at the September 21, 2011, meeting of the SUS Board of Governors. In response to the guidance from your office, Appendix A of the Addendum includes an agreement that describes the proposed collaboration between the University of Central Florida and the University of Florida in support of the D.M.D. program at UCF. The agreement has been signed by me and President Machen.

The Addendum to the UCF D.M.D. Program proposal also includes other information that was requested by your office and by various board members during and following our presentation in September. This includes the following issues:

1. minority recruitment and care for the underserved in Central Florida,
2. need for dentists to meet population growth,
3. advancement of auxiliary funds as a vehicle to support the start-up operations,
4. use of alternative funding vehicles to support the construction of facilities, and
5. sensitivity of the budget to tuition rates, enrollment, and interest rates.

The response for each issue is briefly summarized in the cover page to the document, and additional detail is found in the body of the document and appendices.

Thank you for your consideration of our proposal.

Cordially yours,

A handwritten signature in black ink, appearing to read 'John C. Hitt', written over the typed name.

John C. Hitt  
President

**State University System of Florida Board of Governors**  
**Addendum to**  
**Request to Offer a Doctor of Dental Medicine Degree**  
**University of Central Florida**  
**October 21, 2011**

**Executive Summary**

This is an Addendum to the Request to Offer a Doctor of Dental Medicine Degree that was discussed at the meeting of the State University System of Florida Board of Governors on September 14, 2011. Appendix A of the Addendum includes a signed agreement that describes the proposed collaboration between the University of Central Florida and the University of Florida. The Addendum also includes information that was requested by the chancellor and various board members during and following the presentation in September. The response for each issue is briefly summarized.

Collaboration: The University of Central Florida and University of Florida have agreed to collaborate in the development of the curriculum and clinical experiences through consultation. The original budget for the dental school already included consultation funds. Thus there is no change to the earlier budget, and no state appropriations are requested to support the development and operation of the dental program or its facilities.

Diversity and Underserved: The Doctor of Dental Medicine degree proposal includes several initiatives aimed at addressing the need for more dentists and dental care in underserved areas. These include development of pipeline programs, recruitment of a diverse applicant pool, a 200-chair Primary Dental Care Clinic that is part of the Dental Education Building where students under the supervision of faculty members will treat underserved patients and others, and curricular elements including service learning projects at Central Florida clinics.

Need for Dentists: Florida's projected population growth increases from 18.8 million people in 2010 to 29.5 million people in 2050, an increase of almost 57 percent. The 2011 Florida Department of Health new dentist estimate results in an increase from 9,446 dentists in 2010 to 12,145 dentists in 2050, an increase of 28 percent. This increase will not support the current level of service for a significantly larger Florida population. To maintain the current level of service that currently reaches only two-thirds of the Florida population, 14,830 dentists in 2050 are needed. If some of the state initiatives to increase oral health care are successful in increasing the percentage of the population that sees a dentist, then there will be a need for even more dentists. A moderate approach (capture 5 percent of those not currently served by a dentist) results in the need for 409 to 450 new dentists. This is more than twice the number of dentists that will be produced by the three existing Florida dental schools.

Funds for Start-up Costs: The University plans to advance some of its auxiliary enterprise cash balances to the support the proposed Doctor of Dental Medicine program in the start-up years to supplement private donations. As the program reaches full enrollment, the auxiliary funds will begin to be repaid, along with the interest that would have been earned during the period the funds were advanced. The full amount of the advance without additional philanthropy is approximately \$42 million spread over four years with repayment estimated to be complete by 2024. This advance will be used to cover operational costs, including lease and interest

payments. Sufficient revenue will be generated to cover all expenses by 2018, including contributions toward the repayment of the advance.

Funds for Building: During the UCF presentation at the September Board of Governors meeting, some concern was expressed that UCF would not be able to identify a third party (developer, contractor, etc.) that would agree to finance, build, and lease a dental education building to UCF for the proposed program considering all of the various restrictions that would apply to such an arrangement. To test this hypothesis, UCF circulated a Request For Information to 37 businesses, outlining the proposition and its restrictions, including a copy of the state statute that governs these type of transactions. UCF has received 26 responses, 21 affirming interest in pursuing such a project if it were put out for competitive proposals, two negative, and three “not sure.”

Sensitivity Analysis of Budget: During the UCF presentation at the September Board of Governors meeting, some questions were raised concerning rate of increase of the market-rate tuition, the number of students, interest rates, and other factors in the funding model that could affect revenue generation to support the program and pay back the advance of auxiliary funds. UCF has conducted sensitivity analyses to examine these risk factors. The sensitivity analyses all demonstrate that the proposed market-rate tuition approach generates positive net revenue between 2018 and 2019 for all alternative scenarios. Depending on the scenario, the value of net revenue varies and that affects the amount of operating advance needed for start-up operations and how soon the operating advance can be repaid. The tuition rate sensitivity analysis suggests that the proposed tuition will compare very favorably with national non-resident rates and should make the program relatively attractive. The sensitivity analyses in most cases demonstrated that variation in planning parameter values results in advance funding requirements of \$42 million plus or minus \$2 million and repayment times of 2024 plus or minus two years. The exception is the reduction of enrollment to 80 students. The sensitivity analysis demonstrates that recruitment and retention of students will require close attention. Overall, the sensitivity analyses confirmed the viability of the proposed budget to support the start-up and successful operation of the UCF D.M.D. program.

**ADDENDUM**  
**DOCTOR OF DENTAL MEDICINE DEGREE PROGRAM PROPOSAL**  
**COLLEGE OF DENTAL MEDICINE**  
**UNIVERSITY OF CENTRAL FLORIDA**  
**October 21, 2011**

**OVERVIEW**

The University of Central Florida proposes to offer a four-year Doctor of Dental Medicine (D.M.D.) program to start in fall 2014. The program will be an integral part of the UCF Health Sciences Campus at Lake Nona.

The goals for the new Doctor of Dental Medicine degree program are to:

- Create economic benefit to the region as part of an emerging academic health science campus in a new medical city.
- Become an integral component of the research portfolio with the College of Medicine in the academic health science center.
- Provide high-quality clinical dental services to complement the medical health care services in Central Florida.
- Create 21st century dentists through interdisciplinary curricular experiences, integration of information technologies, and virtual simulation in partnership with the College of Medicine.
- Meet the need for more dentists throughout Florida.

The University of Central Florida submitted a detailed proposal to the Board of Governors on August 10, 2011. This Addendum represents new and added material requested by Board of Governors members.

**COLLABORATION BETWEEN UCF AND UF**

Following the Board of Governors meeting in September, UCF and UF leadership (Drs. Hitt, Machen, Guzick, German, and Dolan) met in Orlando on September 21 to discuss potential collaborations with regard to dental

education. Exploration of various areas of potential collaboration led to an agreement that the best form of collaboration would be consultation in support of the development of an excellent curriculum for the UCF Doctor of Dental Medicine program. Additional follow-up discussions took place between Dr. Dolan and Dr. German and between Dr. Machen and Dr. Hitt to formalize the details of the collaboration. The following is a summary of proposed areas of collaboration:

1. UF will collaborate with UCF by serving in an advisory capacity in the development of the curriculum and clinical experiences.
2. UCF will collaborate by sharing curricular developments and curricular innovations with the UF College of Dentistry.
3. Additional areas of collaboration may form as the program matures.

The original budget for the dental school already included consultation funds. Thus there is no change to the earlier budget, and no state appropriations are requested to support the development and operation of the dental program or its facilities.

**See agreement signed by President Hitt and President Machen in Appendix A.**

**PLANNED EFFORTS TO ADDRESS DIVERSITY AND THE UNDERSERVED IN CENTRAL FLORIDA**

The Doctor of Dental Medicine degree proposal includes several initiatives aimed at addressing the need for more dentists and dental care in underserved areas. These include development of pipeline programs,

recruitment of a diverse applicant pool, a 200-chair Primary Dental Care Clinic that is part of the Dental Education Building where students under the supervision of faculty members will treat underserved patients and others, and service learning projects at Central Florida clinics that are part of the curriculum.

### **Recruitment and retention of minority dental students**

Because dentists generally practice near where they live, increasing the number of dentists will not necessarily address the rural access problem without focused recruiting of students from rural areas or other initiatives (e.g., loan forgiveness) to incentivize dentists to practice in those areas. The UCF College of Medicine has worked with rural high school students from an Area Health Education Center sponsored program through NOVA Southeastern University to influence them toward medical careers. Other similarly focused activities will be developed that are oriented toward dental careers.

The UCF College of Medicine has established a pipeline program with Jones High School in Orlando that has a predominantly African-American student body. This Health Leaders Program actively engages high school students starting in the ninth grade to develop an interest in medical careers. The D.M.D. program will participate in this program to incorporate a dental medicine focus.

To establish the most creative, innovative recruitment and retention programs specifically directed toward dental school students, UCF will examine models created by other universities that are successfully recruiting and retaining minority dental school students. The Pipeline, Profession, and Practice: Community-Based Dental Education program was a five-year (2002-07) national demonstration program for 11 dental schools—with funds from the Robert Wood Johnson Foundation—and a similar pipeline

program involving four California dental schools that received funding from The California Endowment and the University of California, San Francisco.

Some of the best practices that are observed in other dental programs are as follows:

- partnerships with statewide and county initiatives in precollege preparation
- summer enrichment programs
- mentors and support groups for first-year dental students
- pre-dental clinical experiences for undergraduate students
- development of feeder institutions
- career fairs on medicine to expose undergraduates to careers in dentistry
- early admissions decisions for underrepresented populations

UCF plans to study and borrow from these practices, and also engage in an extensive recruitment and retention effort to ensure that a diverse population of students enters the dental program.

### **Dental care to the underserved**

With respect to access for low-income populations, the UCF Doctor of Dental Medicine program will serve the State of Florida and its community by the following:

- offering affordable dental care to the underserved population and others in its 200-chair Primary Dental Care Clinic where dental students develop their skills under the supervision of experienced dental faculty members
- requiring students to volunteer their services in community clinics to satisfy a service learning experience

Students in the third year (48 weeks) and fourth year (38 weeks) are expected to spend seven to eight half days each week in the clinic with patients. This will require over 125,000 patient visits per year, a significant portion of which will include underserved

dental patients in Central Florida. Others will receive care at a discounted price. The economic benefit to these patients is significant.

### **Curricular elements**

UCF will use a variety of approaches to promote cultural sensitivity and competence throughout the dental school experience, including coursework, small group discussions, and clinical experiences. Students, faculty members, and staff members will participate in cultural competence workshops with mandatory cultural training. Cultural competence will be incorporated into the curriculum. Health promotion will be discussed at various life stages and from various cultural perspectives. One course discusses the interactions of human beings with their social environments and integrates human behavior, public health, epidemiology, and ethics.

Students will be assigned to small groups that will meet regularly throughout the dental education experience and, thus, will be exposed to a learning environment that will promote the understanding and appreciation of individual differences. Students will be assessed on a regular basis regarding their progress toward cultural competence. Students will be encouraged to participate in summer experiences and international experiences that will allow them to become immersed in a culture different from their own. Students will also have required service learning experiences that may take place in the community-based health clinics, providing dental care to indigent people or internationally. The list of letters of support from those clinics is included in Appendix B.

### **UPDATE ON DENTIST NEED ANALYSIS**

UCF has updated the Florida Dentist Needs Analysis that was submitted as Appendix F in the original proposal to include

consideration of the LECOM School of Dental Medicine and additional information related to population growth.

Florida's population is expected to increase from 18.8 million people in 2010 to 29.5 million people in 2050, an increase of almost 57 percent. The 2011 Florida Department of Health new dentist estimate results in an increase from 9,446 dentists in 2010 to 12,145 dentists in 2050, an increase of 28 percent, half of what is needed. This level of dentists will not maintain the current level of service for a significantly larger Florida population. To maintain the current level of service that currently reaches only two-thirds of the Florida population, 14,830 dentists in 2050 are needed.

From another perspective, a constant service level ensures that the ratio of 50.3 dentists for every 100,000 people remains unchanged for the increasing population. Because the Florida Department of Health model does not provide sufficient dentists, the ratio decreases to 41.2 dentists for every 100,000 Floridians as illustrated in figure 1 representing an 18 percent decrease in the level of service.

Figure 2 shows the annual need for dentists to provide the current and additional levels of service. It is clear that the three Florida dental schools will provide approximately half of the dentists needed to achieve the current level of service. In addition, the Florida Department of Health estimates of 307 dentists per year fall short of meeting the total need.

If some of the state initiatives to increase oral health care are successful in increasing the percentage of the population that sees a dentist, then there will be a need for even more dentists. A moderate approach (capture 5 percent of those not currently served by a dentist) results in the need for 409 to 450 new dentists. This is more than twice the number of dentists that will be produced by the three existing Florida dental schools.

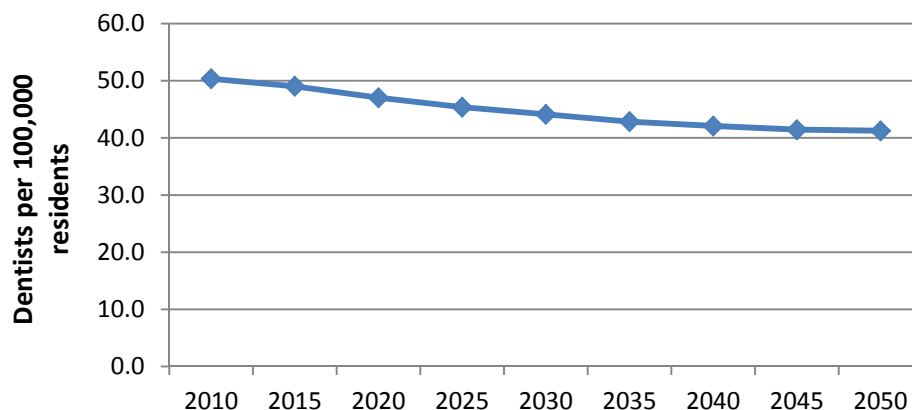


Figure 1. Florida dentists per 100,000 residents

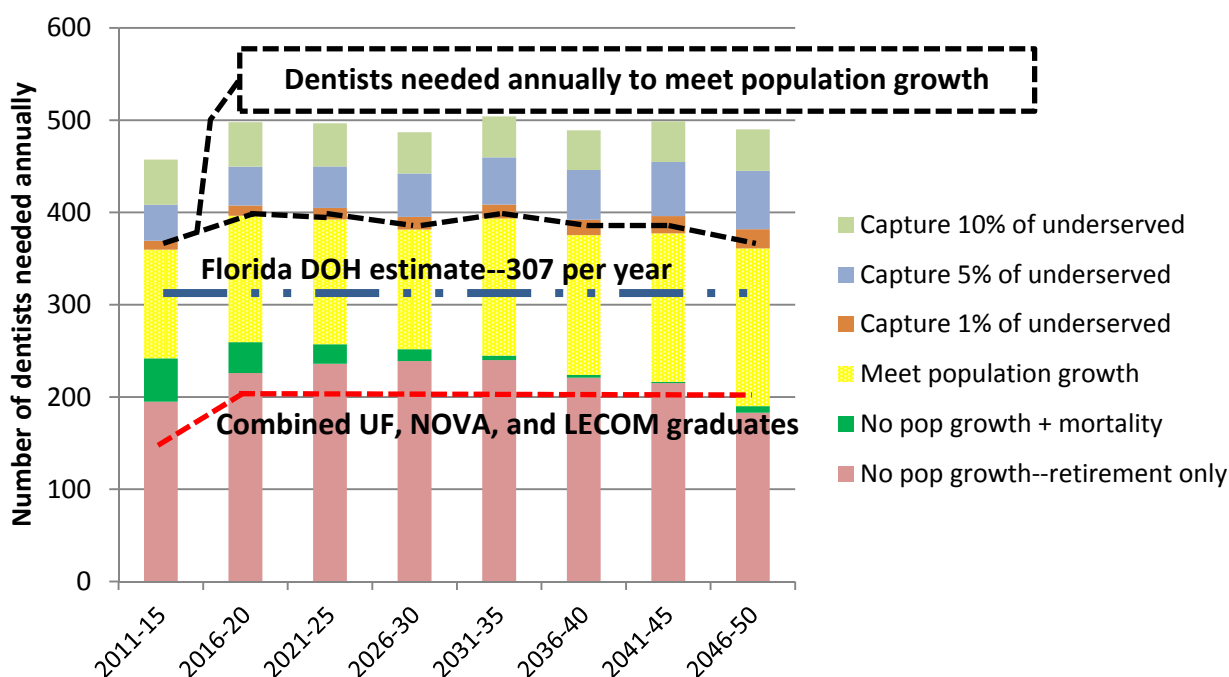


Figure 2. Annual Florida dentist needs, 2010-50

## FINANCING THE D.M.D. PROGRAM

During the September 14 Board of Governors meeting, UCF presented a summary of the budget that was included in Appendix A of the proposal. The summary identified a need for a funding mechanism for the start-up operations and a mechanism for supporting the construction of the Dental Education Building. The UCF proposal involves the use of a \$10 million gift along with the advancement of auxiliary funds as a

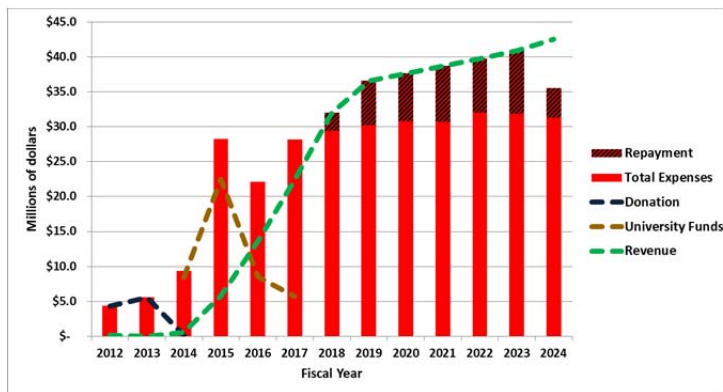
mechanism to support the start-up operations, and the use of alternative funding mechanisms to support the construction of facilities. The following two sections briefly describe each.

### Advancement and repayment of auxiliary funds to cover the start-up costs

The university will use the \$10 million donation to fund the immediate start-up operations. This will cover the first two

planning years. Then, the university plans to advance some of its auxiliary enterprise cash balances to support the proposed Doctor of Dental Medicine program over the next four years (2014 through 2017) to supplement any other private donations that may be received. Interest is paid each year on the advanced balance.

As the program reaches full enrollment in 2018, the auxiliary funds principal and interest will begin to be repaid. The full amount of the advance without additional philanthropy is approximately \$42 million spread over four years with payback estimated to be complete by 2024. This advance will be used to cover operational costs, including salaries, lease payments, interest payments, and operating capital outlay (\$11.7 million). By 2018, sufficient revenue will be generated to cover all expenses, including contributions toward the repayment of the advance. Figure 3 illustrates the advancement of funds and repayment structure.



**Figure 3. Advance and repayment structure**

### Use of developer or contractor to finance the building costs

The original proposal indicated that UCF would use an external approach consistent with the state debt management guidelines to arrange for the construction of a Dental Education Building. The estimated cost of the Dental Education Building and associated

infrastructure is \$42.8 million. A conservative approach was used to construct the program budget by assuming a relatively high lease rate. The high rate was used to account for the uncertainty in the market. The current construction climate as evidenced by informal conversations with developers before the proposal was submitted has indicated that the use of alternative financing approaches is likely feasible.

During the UCF presentation at the Board of Governors meeting, some concern was expressed that UCF would not be able to identify a third party (developer, contractor, etc.) that would agree to finance, build, and lease a building to UCF for the proposed Doctor of Dental Medicine program considering all of the various restrictions that would apply to such an arrangement.

In order to verify that such developer interest really existed, UCF circulated a Request For Information (RFI) to 37 businesses outlining the proposition and its restrictions, including a copy of the state statute that governs these type of transactions. UCF has received 26 responses, 21 affirming interest in pursuing such a project if it were put out for competitive proposals, two negative, and three “not sure.” A copy of the RFI and a summary of the responses are included in Appendix C and Appendix D, respectively.

The responses to the RFI indicate a significant interest in this kind of project. If the proposed D.M.D. program is approved by the Board of Governors, UCF will be required to return to the Board of Governors with firm commitments from a developer to engage in the project and construct the Dental Education Building and associated infrastructure.

### SENSITIVITY ANALYSIS OF BUDGET ASSUMPTIONS

The initial budget for the proposed D.M.D. program included in Appendix A and



discussed in the business plan in Appendix C of the original proposal is supported from philanthropy, student tuition and fees developed using a market-rate model, clinical revenues, and research revenues. The major contributor to revenue is student tuition and fees (84 percent at full enrollment). The major contributors to expenses include salaries, general expenses, information technology, library, facilities, and interest payments on the fund advances. There are several years with significant operating capital outlays as well. There are several assumptions where changes could have an effect on the operating budget. The following sections report on sensitivity analyses to identify the risk associated with particular assumption in the funding model.

### **Interest-rate sensitivity**

The annual operating facilities cost is determined by the estimated building cost, a baseline "lease" interest rate, and an annual "escalation" factor that increases the interest rate. Another major expense parameter is the interest rate on the advanced funds.

The baseline budget in the proposal used the following assumptions:

- Baseline lease rate = 8.75%
- Annual escalation factor = 2%
- Repayment interest rate = 6%

To examine the sensitivity of the results to these factors, two alternatives were considered, one representing the "best" case and one representing something worse than the baseline. The following alternative values represent the best case:

- Baseline lease rate = 6%
- Annual escalation factor = 1%
- Repayment interest rate = 2%

The following alternative values represent the worst case:

- Baseline lease rate = 10%
- Annual escalation factor = 2%
- Repayment interest rate = 6%

The results for net revenue (revenue minus expenses) are shown in figure 4. Moving from the baseline to the best case results in increasing net revenue by about \$2.5 million per year. Moving from the baseline to the worst case results in decreasing net revenue by about \$0.75 million per year. Note that when the net revenue is negative, the program receives advance funds from the university to cover operating costs, and when the net revenue is positive, those funds are repaid.

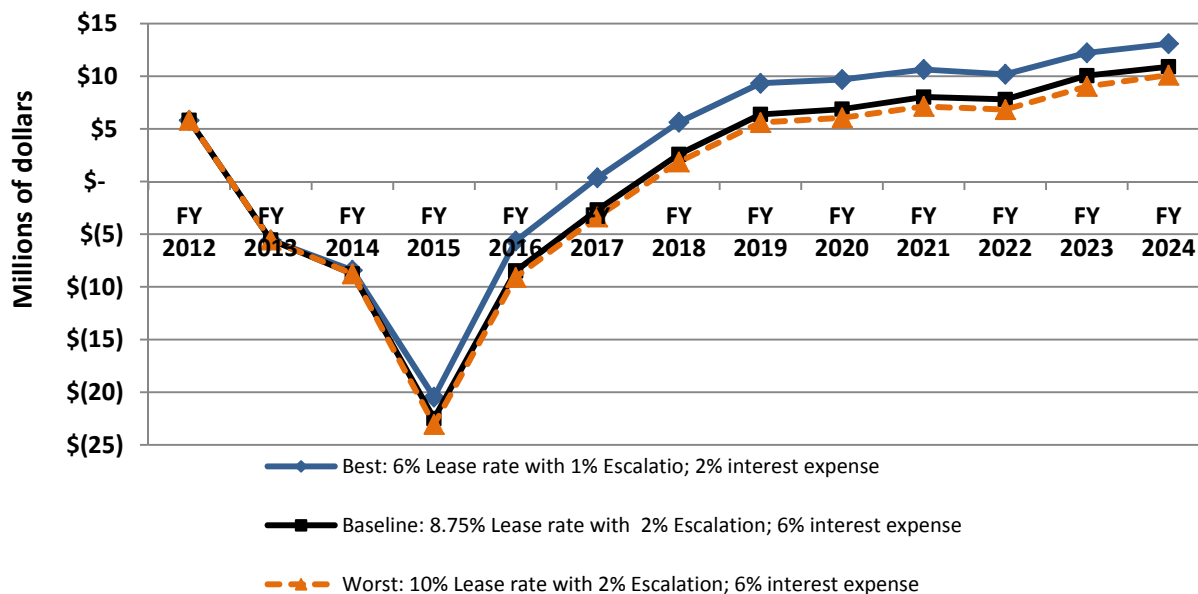
The best case scenario results in a reduction in maximum advance funding from \$42.4 million to \$34.4 million and enables repayment of all advances by 2021, three years earlier than the baseline scenario. The worst case scenario increases the advance funding to \$44.3 million with repayment of all advances by 2024, the same year as the baseline.

### **Clinical- and research-revenue sensitivity**

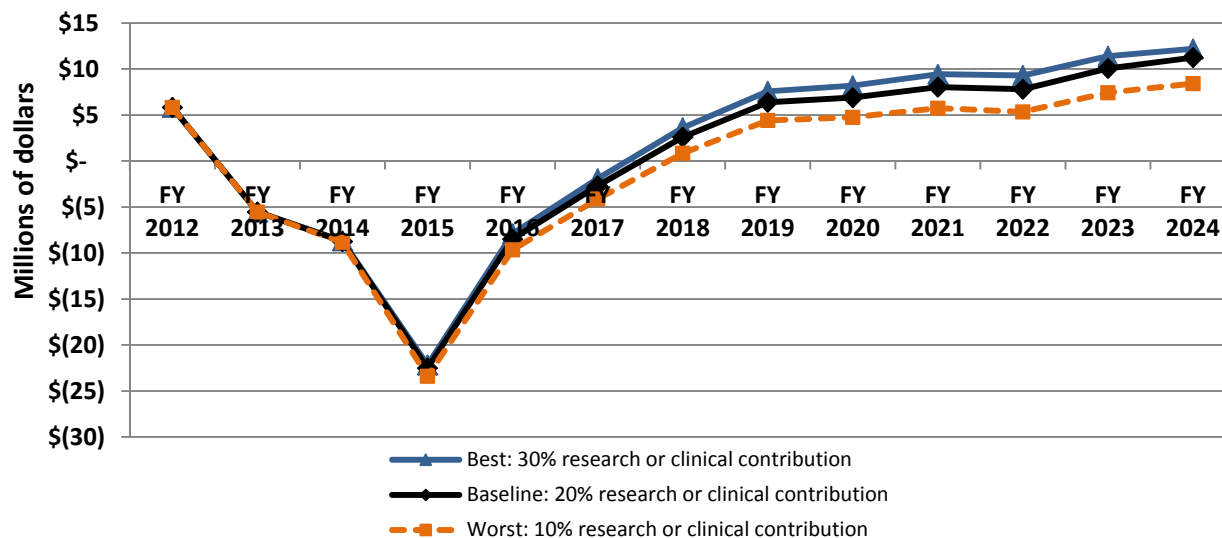
The baseline budget assumes that 20 percent of faculty salaries will be recovered from research funding or clinical revenues. Figure 5 illustrates what happens if that recovery is not achieved and only 10 percent of salary is recovered as well as if 30 percent of salary is recovered. At the 10% recovery level, the reduction in revenue results in an increase in the operating advance to \$46.0 million and results in a delay in the repayment of all advances until 2026. If the salary recovery is increased to 30%, the maximum advance is reduced to \$40.7 million and repayment completed in 2023.

### **Tuition-increase sensitivity**

UCF is proposing to use a market-rate tuition that covers the actual cost of education using the same principle that applies to non-resident tuition in the SUS. The proposed budget for the D.M.D. program includes an annual tuition increase of 3 percent for both tuition and fees.



**Figure 4. Revenue-expense: interest rate sensitivity**



**Figure 5. Revenue-expense: research and clinical rates –10% to 30%**

Data from the American Dental Association show that from 2000 through 2009, resident tuition and fees at all dental schools increased an average of 7.4 percent annually while tuition and fees for non-residents increased an average of 6.6 percent. During the same period, non-resident tuition and fees at the University of Florida College of Dentistry increased an average of 5.6 percent.

If the average rates of tuition increase persist, in 2014 the UCF tuition and fees will be slightly more than the national average and nearly equal to the UF non-resident tuition and fees. After 2015, the projected UCF tuition and fees will be lower than the projected national average non-resident and UF non-resident levels. If the current trends continue, in 2024 the UCF tuition and fees will be less than the national average for both

resident and non-resident students at dental schools across the U.S. These comparisons are illustrated in figure 6.

Because the proposed tuition rate of increase of 3 percent is below the average rate, it is reasonable to examine the sensitivity of changes in that rate. Here, the best case is assumed to be a 4 percent increase and the worst case is 2 percent. The results on net

revenue are shown in figure 7. Decreasing the rate to 2 percent results in an increase to \$3.8 million for advance funding and a three year delay in repaying the operating advance. Increasing the rate to 4 percent reduces the amount advanced to \$41.0 million and hastens the repayment to 2021, three years ahead of the baseline.

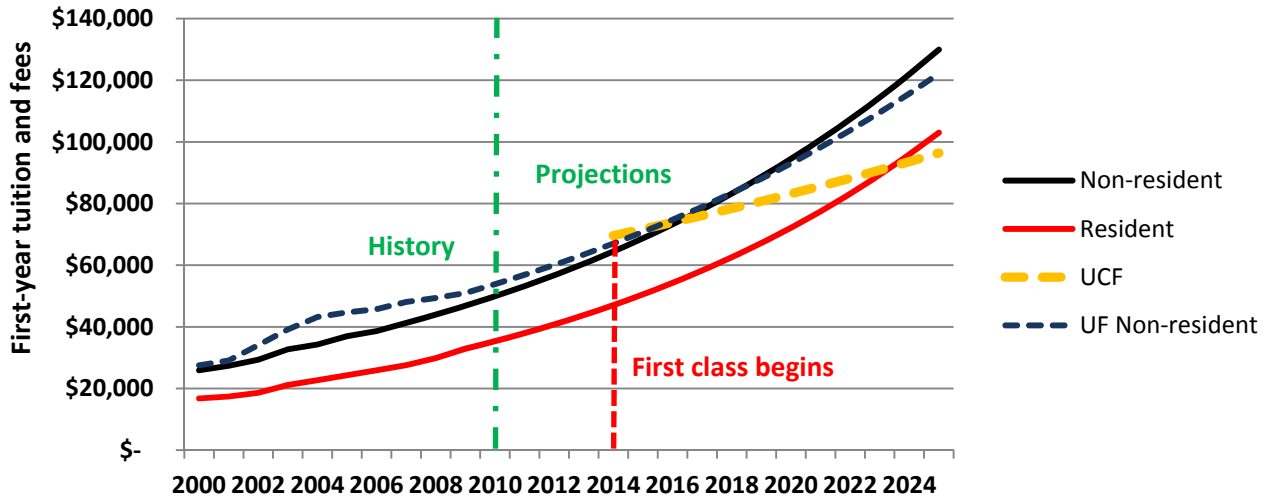


Figure 6. Dental school tuition history and projections

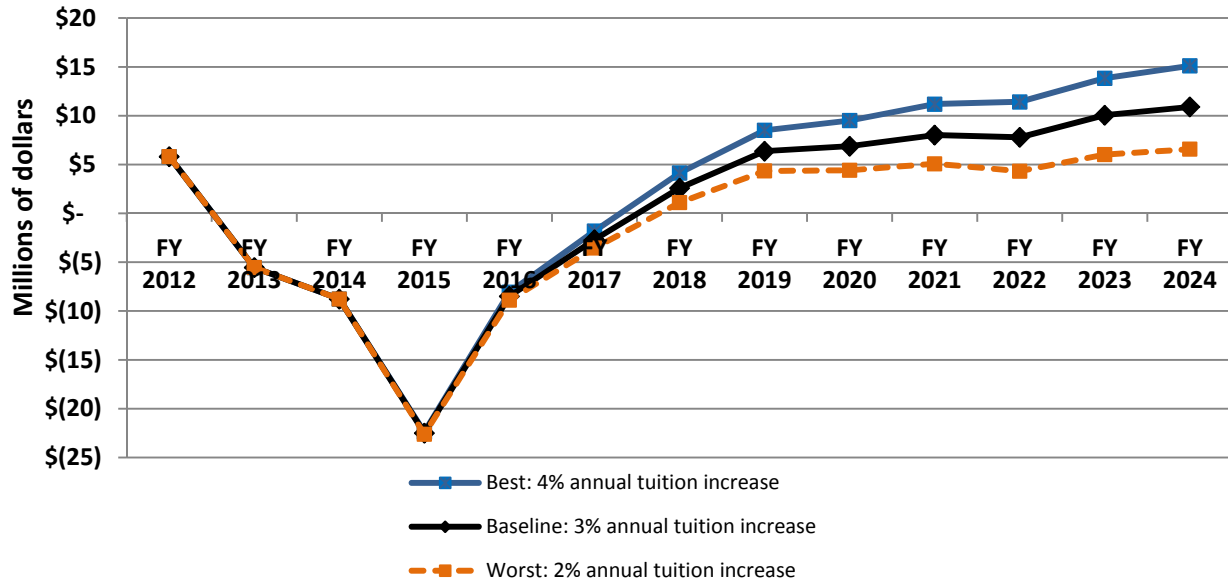


Figure 7. UCF tuition increase rate sensitivity

## Enrollment sensitivity

The enrollment projection calls for 60 students in 2014 and increasing to 100 students in 2015 and thereafter. A 2 percent attrition is assumed in the first year and no attrition thereafter. To examine the sensitivity of the enrollment assumption, two other scenarios are tested:

- 90 students
- 80 students

Figure 8 shows the impact on net revenue for these alternatives. The 90-student scenario

results in an increase in the operating funds advance from \$42.4 million to \$45.7 million and delays repayment by two years. The reduction to an 80-student scenario requires an increase in operating advance to \$53.9 million and increases the repayment period significantly to 2031. This increase and delay is associated with the 8.75 percent lease rate and large annual escalation rate (2 percent), resulting in the need for more time to repay the accumulating interest.

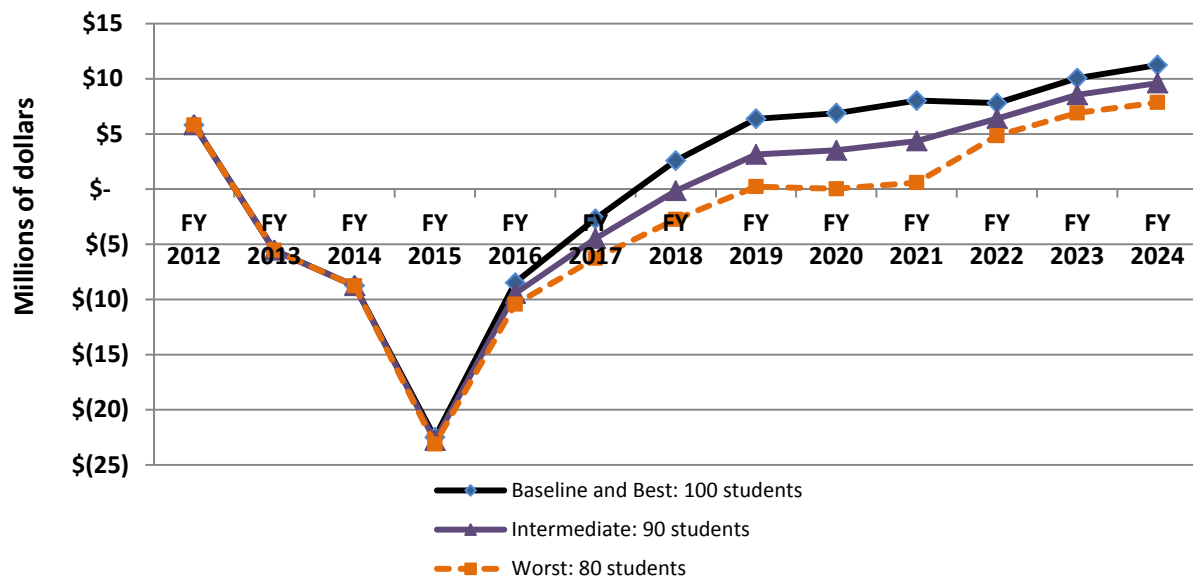


Figure 8. Impact of enrollment changes

## Summary

The sensitivity analyses of the various budget assumptions demonstrate that the proposed market-rate tuition approach generates positive net revenue between 2017 and 2019 for all alternative scenarios. Depending on the scenario, the value of net revenue varies, and that affects the amount of operating advance needed for start-up operations and the year in which the operating advance will be repaid. The repayment year ranges from 2021 to 2031 for the best of scenarios (lowest lease and interest rates) to the worst of scenarios (enrollment of 80 students).

The tuition-rate sensitivity analysis suggests that the proposed market-rate tuition will compare very favorably with national non-resident rates and should make the program relatively attractive. The proposed annual increase is below the national average and it may be possible to increase the UCF rate without adversely affecting enrollment.

The enrollment sensitivity provides the greatest challenge. Enrollment below about 90 students will adversely affect the repayment of the operating fund advance.

All of the sensitivity analyses assume that there is no additional philanthropy beyond

the initial \$10 million donation. Any additional development efforts resulting in additional funding will reduce the necessity for some of the advance funding and thereby reduce the expenses associated with repayment.

Because the \$10 million donation is used to fund the first two years of start-up operations, use of other UCF funds will not occur until 2014. The sensitivity analyses in most cases demonstrated that variation in planning parameter values results in advance funding requirements of \$42 million plus or minus \$2 million and repayment times of 2024 plus or minus two years. The exception is the reduction of enrollment to 80 students. The sensitivity analysis demonstrates that recruitment and retention of students will require close attention. Overall, the sensitivity analyses confirmed the viability of the proposed budget to support the start-up and successful operation of the UCF D.M.D. program.

## **Appendix A**

### **Dental Collaboration Agreement between UCF and UF**


ELEMENTS OF A DENTAL EDUCATION COLLABORATION  
BETWEEN  
UNIVERSITY OF CENTRAL FLORIDA  
AND  
UNIVERSITY OF FLORIDA

Following the Board of Governors meeting in September, UCF and UF leadership (Drs. Hitt, Machen, Guzick, German, and Dolan) met in Orlando on September 21 to discuss potential collaborations with regard to dental education. Exploration of various areas of potential collaboration led to an agreement that the best form of collaboration would be consultation in support of the development of an excellent curriculum at the UCF College of Dental Medicine. Additional follow-up discussions took place between Dr. Dolan and Dr. German and between Dr. Machen and Dr. Hitt to lay out potential elements of the collaboration.

The collaboration between UF and UCF include items such as:

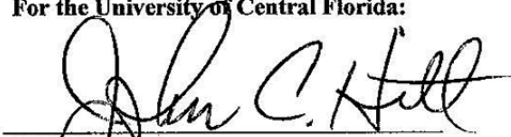
1. UF will collaborate with UCF by serving in an advisory capacity in the development of the curriculum and clinical experiences.
2. UCF will collaborate by sharing curricular developments and curricular innovations with the UF College of Dentistry.
3. Additional areas of collaboration may form as the program matures

For the University of Florida:

  
J. Bernard Machen  
President

10-20-11  
Date

For the University of Central Florida:

  
John C. Hitt  
President

10/21/11  
Date

## Appendix B

### List of Letters of Support from Central Florida Health Clinics

Clinical and Research Partnerships		
On behalf of	Letter Author	Position
Brevard County Health Department	Heidar Heshmati, M.D., P.P.H., Ph.D.	Director
Brevard Health Alliance	Lisa Gurri	Chief Executive Officer
Central Florida Family Health Center	Leslie Smith, D.O.	Chief Executive Officer/Chief Medical Officer
Central Florida Medical Affiliates	Robert C. Alexander	Executive Director
Central Florida Oral & Maxillofacial Surgery	Wilbur M. Davis, D.D.S.	
Community Vision	Donna Sines	Executive Director
Dental Care Access Foundation	Julie Kestler	Executive Director
Health Care Center for the Homeless	Bakari F. Burns, M.P.H., M.B.A.	Chief Executive Officer
Health Council of East Central Florida	Kenneth Peach	Executive Director
Nemours Children's Hospital	Roger Oxendale, M.B.A.	Chief Executive Officer
Orange County Health Department	Kevin Sherin, M.D. and Maria D. Demas, D.D.S.	Director Executive Dental Director
Orlando Health	Sherrie Sitarik	President/ Chief Executive Officer
Primary Care Access Network	Margaret Brennan	PCAN Administrator
Sanford Burnham Medical Research Institute	Daniel Kelly, M.D.	Scientific Director
Seminole County Health Department	Michael J. Napier, M.S.	Administrator
Shepherd's Hope	Cathy Benson	President
Space Coast Foundation	Johnette Gindling	Executive Director
VA Medical Center	Timothy Liezert	Medical Director



**Appendix C**  
**Request For Information**



## **Request for Information**

RFI# 1107ZRI

UCF COLLEGE OF DENTAL MEDICINE BUILDING

Return the "RFI Response Form" to [greg.robinson@ucf.edu](mailto:greg.robinson@ucf.edu)

RFI Issued: October 5, 2011

RFI Response Deadline: **October 12, 2011, @ 2:00pm EST**

For questions regarding this RFI, you are welcome to contact:

Greg Robinson Interim Purchasing Director 407-823-2661 or 407-823-5348  
[greg.robinson@ucf.edu](mailto:greg.robinson@ucf.edu)

## **Introduction and purpose of the RFI**

This Request for Information (RFI) is issued as a means of information gathering. This RFI is for planning purposes only and should not be construed as a solicitation nor should it be construed as an obligation on the part of the University to enter any contracts. This RFI should not be construed as a means to pre-qualify vendors. The University of Central Florida (UCF) may utilize the results of this RFI in drafting a competitive solicitation (Request for Proposal) for the subject requirement. Any future contract that may be awarded must comply with UCF procurement requirements.

Based on the information provided by the respondents to this RFI, a determination will be made regarding any actual contracting through a procurement process which, at the University's option, could include but not be limited to a Request For Proposal.

Participation in this RFI is voluntary and the University will not pay for the preparation of any information submitted by a respondent or for the University's use of that information.

## ***Description of the Project:***

The University of Central Florida is seeking approval from the Board of Governors of the State University System of Florida to initiate a College of Dental Medicine College). The proposal envisions a 120,000 square foot building (Dental Building) with a projected budget of \$42 million to house the College of Dental Medicine on UCF's Health Sciences Campus at Lake Nona.

The UCF Foundation, Inc., proposes to ground lease a parcel of land adjacent to the College of Medicine to a private developer. The lease term would not exceed thirty years. The developer would construct the Dental Building at its cost and lease the Dental Building to UCF with terms compliant with the provisions of Florida statute 10.10.62 (attached). The source of revenue for making the lease payments is limited to the revenue generated by the College of Dental Medicine. If the revenue generated is insufficient to cover operating expenses and the lease payments, then the building lease would terminate and the developer would be free to pursue, but not guaranteed, other lease arrangements with the university or with an entity other than UCF for a period not exceeding the remaining term of the ground lease. This new lease would be subject to the same restrictions on the land use that govern the construction and use of the Dental Building. Title to the Dental Building would revert to UCF upon expiration of the ground lease. In essence, the developer would be an "at-risk" partner with UCF in the success of the proposed College of Dental Medicine.

The purpose of this Request For Information is to determine if there is interest by the private sector for the project as outlined above. If there is, and if the Board of Governors approves the establishment of a College of Dental Medicine for UCF, then a formal solicitation, most likely in the form of a Request for Proposals may follow.

**RFI RESPONSE FORM** Please complete the below form and submit via email to Greg Robinson at

[Greg.Robinson@ucf.edu](mailto:Greg.Robinson@ucf.edu)

Question	Answer
Company name	
Company address	
Company web page	
Main products/services	
Main market/customers	
Contact person responsible for answering this RFI	
Telephone	
Email	
Demonstrate company's interest in competing for this building project if the dental medicine program is approved by the Board of Governors of the State University System of Florida	<input type="checkbox"/> YES, we are interested <input type="checkbox"/> NO, we are not interested <input type="checkbox"/> Not sure

Select Year: 2011 

## The 2011 Florida Statutes

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Title XLVIII  
K-20 EDUCATION CODE

Chapter 1010  
FINANCIAL MATTERS

[View Entire Chapter](#)

### **1010.62 Revenue bonds and debt.—**

(1) As used in this section, the term:

(a) "Auxiliary enterprise" means any activity defined in s. 1011.47(1) and performed by a university or a direct-support organization.

(b) "Capital outlay project" means:

1. Any project to acquire, construct, improve, or change the functional use of land, buildings, and other facilities, including furniture and equipment necessary to operate a new or improved building or facility.

2. Any other acquisition of equipment or software.

(c) "Debt" means bonds, except revenue bonds as defined in paragraph (e), loans, promissory notes, lease-purchase agreements, certificates of participation, installment sales, leases, or any other financing mechanism or financial arrangement, whether or not a debt for legal purposes, for financing or refinancing for or on behalf of a state university or a direct-support organization or for the acquisition, construction, improvement, or purchase of capital outlay projects.

(d) "Direct-support organization" means an organization created pursuant to s. 1004.28 or any entity specifically established to incur debt.

(e) "Revenue bonds" means any obligation that constitutes a revenue bond pursuant to s. 11(d), Art. VII of the State Constitution.

(2)(a) The Board of Governors may request the issuance of revenue bonds pursuant to the State Bond Act and s. 11(d), Art. VII of the State Constitution to finance or refinance capital outlay projects permitted by law. Revenue bonds may be secured by or payable only from those revenues authorized for such purpose, including the Capital Improvement Trust Fund fee, the building fee, the health fee, the transportation access fee, hospital revenues, or those revenues derived from or received in relation to sales and services of auxiliary enterprises or component units of the university, including, but not limited to, housing, transportation, health care, research or research-related activities, food service, retail sales, athletic activities, or other similar services, other revenues attributable to the projects to be financed or refinanced, any other revenue approved by the Legislature for facilities construction or for securing revenue bonds issued pursuant to s. 11(d), Art. VII of the State Constitution, or any other revenues permitted by law. Revenues from the activity and service fee and the athletic fee may be used to pay and secure revenue bonds except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior to the sale of the bonds. The assets of a university foundation and the earnings thereon may also be used to pay and secure revenue bonds of the university or its direct-support organizations. Revenues from royalties and licensing fees may also be used to pay and secure revenue bonds so long as the facilities being financed are functionally related to the university operation

or direct-support organization reporting such royalties and licensing fees. Revenue bonds may not be secured by or be payable from, directly or indirectly, tuition, the financial aid fee, sales and services of educational departments, revenues from grants and contracts, except for money received for overhead and indirect costs and other moneys not required for the payment of direct costs, or any other operating revenues of a state university. Revenues from one auxiliary enterprise may not be used to secure revenue bonds of another unless the Board of Governors, after review and analysis, determines that the facilities being financed are functionally related to the auxiliary enterprise revenues being used to secure such revenue bonds.

(b) In connection with the issuance of revenue bonds, the Board of Governors, and the state university if so designated by the Board of Governors, shall comply with all covenants, commitments, or other provisions relating to the revenue bonds. Such covenants, commitments, or other provisions, in addition to those provided in the State Bond Act, may relate to:

1. Pledging the fees, charges, and other revenues that secure the revenue bonds;
2. Fixing and maintaining fees, rates, and other charges pledged to the payment of the revenue bonds;
3. Providing a lien on the revenues pledged;
4. Preventing or providing for the creation of other liens on the fees, charges, and other revenues that secure the revenue bonds;
5. Establishing and maintaining reserves for debt service payments on revenue bonds;
6. Providing for the operation, maintenance, and improvement of facilities that are related to the generation of the fees, revenues, and other charges pledged to the payment of the revenue bonds; and
7. Establishing any other covenants, commitments, or provisions that are deemed necessary or advisable to enhance the security of the revenue bonds, or the marketability thereof, and that are customary in accordance with the market requirements for the sale of such revenue bonds.

(c) Revenue bonds issued pursuant to this subsection are not required to be validated pursuant to chapter 75.

(3)(a) A state university or direct-support organization may not issue debt without the approval of the Board of Governors. The Board of Governors may approve the issuance of debt by a state university or a direct-support organization only when such debt is used to finance or refinance capital outlay projects. The debt may be secured by or payable only from those revenues authorized for such purpose, including the health fee, the transportation access fee, hospital revenues, or those revenues derived from or received in relation to sales and services of auxiliary enterprises or component units of the university, including, but not limited to, housing, transportation, health care, research or research-related activities, food service, retail sales, athletic activities, or other similar services. Revenues derived from the activity and service fee and the athletic fee may be used to pay and secure debt except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior to incurring the debt. The assets of university foundations and the earnings thereon may be used to pay and secure debt of the university or its direct-support organizations. Gifts and donations or pledges of gifts may also be used to secure debt so long as the maturity of the debt, including extensions, renewals, and refundings, does not exceed 5 years. Revenues from royalties and licensing fees may also be used to secure debt so long as the facilities being financed are functionally related to the university operation or direct-support organization reporting such royalties and licensing fees. The debt may not be secured by or be payable from, directly or indirectly, tuition, the financial aid fee, sales and services of educational departments, revenues from grants and contracts, except for money received for

overhead and indirect costs and other moneys not required for the payment of direct costs of grants, or any other operating revenues of a state university. The debt of direct-support organizations may not be secured by or be payable under an agreement or contract with a state university unless the source of payments under such agreement or contract is limited to revenues that universities are authorized to use for payment of debt service. Revenues from one auxiliary enterprise may not be used to secure debt of another unless the Board of Governors, after review and analysis, determines that the facilities being financed are functionally related to the auxiliary enterprise revenues being used to secure such debt. Debt may not be approved to finance or refinance operating expenses of a state university or a direct-support organization. The maturity of debt used to finance or refinance the acquisition of equipment or software, including any extensions, renewals, or refundings thereof, shall be limited to 5 years or the estimated useful life of the equipment or software, whichever is shorter. The Board of Governors may establish conditions and limitations on such debt as it determines to be advisable.

(b) Approval by the Board of Governors of the issuance of debt shall be based upon a determination that the debt:

1. Is for a purpose consistent with the mission of the state university;
2. Is structured in a manner appropriate for the prudent financial management of the state university;
3. Is secured by revenues adequate to provide for all payments relating to the debt;
4. Has been analyzed by the Division of Bond Finance and issues raised by such analysis have been appropriately considered by the Board of Governors; and
5. Is consistent with the requirements of any policies or criteria adopted by the Board of Governors for the approval of debt.

(c) Notwithstanding paragraphs (a) and (b), state universities and direct-support organizations may engage in the following activities without the approval of the Board of Governors:

1. State universities may lease-purchase equipment and software in accordance with the deferred-purchase provisions in chapter 287 and direct-support organizations may lease-purchase equipment and software to the extent that the overall term of the financing, including any extension, renewal, or refinancing thereof, does not exceed 5 years or the estimated useful life of the equipment or software, whichever is shorter;
2. Direct-support organizations may issue promissory notes and grant conventional mortgages for the acquisition of real property; and
3. State universities and direct-support organizations may secure debt with gifts and donations and pledges of gifts so long as the facilities being financed thereby have been included in the university's 5-year capital improvement plan that has been approved by the Board of Governors and the maturity of the debt, including any extension, renewal, or refunding, does not exceed 5 years.

(4) The approval by the Board of Governors of revenue bonds, except refunding bonds, or debt must be requested by a resolution of the board of trustees of each state university involved in the issuance of the revenue bonds or debt.

(5) Revenue bonds or debt issued under this section may be secured on a parity with prior revenue bonds or debt issued by or on behalf of one or more universities or a direct-support organization.

(6) Capital outlay projects to be financed by revenue bonds or debt are limited to those approved by the Legislature through approval of the specific project or general approval of the type or category of capital outlay project.

(7)(a) As required pursuant to s. 11(d), Art. VII of the State Constitution and subsection (6), the Legislature approves capital outlay projects meeting the following requirements:

1. The project is located on a campus of a state university or on land leased to the university or is used for activities relating to the state university;

2. The project is included in the master plan of the state university or is for facilities that are not required to be in a university's master plan;

3. The project is approved by the Board of Governors as being consistent with the strategic plan of the state university and the programs offered by the state university; and

4. The project is for purposes relating to the housing, transportation, health care, research or research-related activities, food service, retail sales, or student activities of the state university.

(b) Capital outlay projects for the acquisition of equipment or software are also approved for purposes of subsection (6) to the extent that the overall term of the financing, including any extension, renewal, or refinancing thereof, does not exceed 5 years or the estimated useful life of the equipment or software, whichever is shorter.

(8) Notwithstanding any other law, the Board of Governors, each state university, and any direct-support organization must comply with the provisions of this section in order to issue or enter into agreements for the issuance of revenue bonds or debt.

(9) The Board of Governors may adopt such policies as may be necessary or desirable for carrying out all of the requirements of this section and may do all things necessary or desirable to carry out the powers granted under this section. Such policies may include categories of debt, other than revenue bonds, which may be issued without approval of the specific issuance by the Board of Governors if the issuance complies with any terms, conditions, or requirements included in such policy and laws governing the imposition of fees and laws requiring specific authority to pledge revenues to secure debt.

(10) Any legal commitments, contracts, or other obligations relating to the financing of capital outlay projects that were lawfully entered into before the effective date of this section shall remain in full force and effect. Any such legal commitment, contract, or other obligation may be amended without compliance with this section, but only to the extent that such amendment does not increase the financial obligation of the Board of Governors, a state university, or a direct-support organization.

**History.**—s. 5, ch. 2006-27; s. 24, ch. 2010-78.



**Appendix D**  
**Response to RFI**

<b>REQUEST FOR INFORMATION (RFI)</b> <b>University of Central Florida</b> <b>COLLEGE OF DENTAL MEDICINE BUILDING</b>					
	<b>VENDOR</b>	<b>YES</b>	<b>NO</b>	<b>Not sure</b>	<b>No response</b>
1	Ajax Building Corporation	X			
2	Balfour Beatty Campus Solutions	X			
3	Barton Malow Company	X			
4	Baston-Cook Company & KUD International				X
5	Branch Banking and Trust Company	X			
6	Brasfield & Gorrie, LLC	X			
7	Carter	X			
8	Charles Perry Partners, Inc.	X			
9	Clancy & Theys				X
10	Concord EastRidge, Inc.	X			
11	Flagship				X
12	Gilbane Building Company / Infralinx, LLC	X			
13	Global Building Consultants				X
14	Haskell	X			
15	Hoar Construction, LLC	X			
16	Inception Holdings, LLC	X			
17	J. Kokolakis				X
18	Jack Jennings & Sons				X
19	James A. Cummings, Inc.				X
20	KBR Building Group, LLC	X			
21	Osborne, Perry-McCall, & CRA Joint Venture	X			
22	PCL Construction Services, Inc.			X	
23	Perry-McCall Construction	X			
24	Plenary Group USA, Ltd.			X	
25	RLF			X	
26	R. R. Simmons Construction Corporation				X
27	Sauer, Inc.	X			
28	Siemens		X		
29	Skanska USA	X			
30	Suffolk Construction Company, Inc.	X			
31	The Morganti Group, Inc.	X			
32	The Whiting Turner Contracting Company				X
33	Turner Construction				X
34	Welbro Building Corporation				X
35	Wharton-Smith, Inc.	X			
36	Williams Company Building Division, Inc.	X			
37	Winter Park Construction		X		
	<b>TOTAL</b>	<b>21</b>	<b>2</b>	<b>3</b>	<b>11</b>